

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

JOSEFA CASTILLO,

Plaintiff,

v.

UNITED STATES OF AMERICA,

Defendant.

No. 21 Civ. 0007 (VF)

**STIPULATION AND  
[PROPOSED] ORDER**

WHEREAS, plaintiff Josefa Castillo (“Plaintiff”) filed the original complaint in this action on January 4, 2021, pursuant to 26 U.S.C. § 7431, seeking an award of: (i) the higher of \$1,000 in statutory or actual damages; (ii) punitive damages; and (iii) reasonable costs and attorney’s fees (ECF No. 1 at 10);

WHEREAS, on April 28, 2021, defendant United States of America (the “Government”) served Plaintiff with an offer of judgment pursuant to Federal Rule of Civil Procedure 68, in the amount of \$1,000 plus reasonable costs to date (*see* ECF No. 89 at 10);

WHEREAS, the Government answered the original complaint in this action on May 11, 2021, conceding that it had committed a single unauthorized disclosure in violation of 26 U.S.C. § 6103, and requesting that the Court enter judgment for Plaintiff for statutory damages of \$1,000 plus the costs of the action to date (ECF No. 26);

WHEREAS, Plaintiff filed an amended complaint on July 29, 2021, seeking the same relief as her original complaint (ECF No. 36);

WHEREAS, the Government answered the amended complaint on August 13, 2021, conceding that it had committed a single unauthorized disclosure in violation of 26 U.S.C. § 6103, and requesting that the Court enter judgment for Plaintiff for statutory damages of \$1,000 plus the costs of the action to date (ECF No. 37);

WHEREAS, on March 28, 2022, the Court ruled that Plaintiff was not entitled to any actual damages, pursuant to 26 U.S.C. § 7431 (ECF No. 49);

WHEREAS, the parties proceeded to a bench trial, from March 4 through March 7, 2025, on the issue of whether the unauthorized disclosure resulted from gross negligence on the part of the Government; and

WHEREAS, on March 7, 2025, the Court held that Plaintiff had not proven gross negligence and therefore was not entitled to punitive damages pursuant to 26 U.S.C. § 7431, Trial Tr. 703:4-736:11;

IT IS HEREBY STIPULATED AND AGREED, by and between the parties, through their respective counsel, as follows:

1. Plaintiff is entitled to \$1,000 in statutory damages, pursuant to 26 U.S.C. § 7431(c)(1)(A), and the Court may direct the Clerk to enter Final Judgment in Plaintiff's favor for that amount;
2. The Government and Plaintiff will pay their own costs and fees in connection with this action and the parties hereby waive their right to seek costs and fees from each other; and
3. Plaintiff waives her right to appeal the Court's decisions and Final Judgment in this action.

Dated: New York, New York  
March 21, 2025

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Dated: New York, New York  
March 21, 2025

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*Attorneys for the Government*

SO ORDERED.

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HON. VALERIE FIGUEREDO  
UNITED STATES MAGISTRATE JUDGE